



531 Main Street, Suite B - Somers, CT 06071-2009 (860) 763-3241 FAX (860) 763-3608

To: The Labor & Public Employees Committee, Tony Gulielmo, Mike Alberts, John Kissel and Penny Bacchlochi

My name is Lee Anne Madersky, a resident of Union and one of the owners, and Treasurer of several Connecticut businesses. We have been in business in Connecticut since 1986 and know from our experience how difficult it is to build a business from its inception forward.

I have read SB 249 in its entirety and am of the opinion that this bill will burden Connecticut's smallest of small businesses. I am not writing in opposition to this bill because it will serve our business interests. Our companies already participate in a 401k plan.

I am voicing my concern because it puts more pressure on small businesses. After I initially read the bill, I drove home through Somers and Stafford, noting all the businesses that were likely to be the size affected by this bill.

Service stations, florists, gift shops and other very small businesses may not have bookkeeping personnel to set up a payroll deduction provision that will have to be deposited within 14 days. Usually for the smallest businesses, it is hard to get payroll out on time, much less an additional step and the year end accounting that will also be required. The smallest of businesses usually don't have Internet set up to initiate the required deposits, filings and the receipt of information to be displayed at the trust's website.

The requirement to sign everyone up and then have them opt out, and put them back on only to opt out again is time consuming yet required.

The guaranteed rate of return funded by insurance perplexes me. Why not offer safe investments with no guarantee of return and eliminate the need for the insurance?

Why is there an Organized Labor Expert appointed by the majority leader of the Senate serving on the Connecticut Retirement Security Trust Fund Board when employees covered by collective bargaining agreements are excepted from eligibility for the new plan?

Why is the plan set up as tax deferred when it is targeted to benefit the young and lower income employees? Why have tax deferred as the only choice when financial advisors suggest that for folks not close to retirement that a mix of deferred and Roth is the best choice?

Why set up a Trust, choose board members, and put a burdensome requirement on small business when every citizen can enroll in a private IRA or Roth IRA now?

How are the other Trusts the state manages doing?

Lee Anne Madersky
Treasurer
PSA Metallurgical Services, Inc.